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SUBJECT: READIN', WRITIN', AND 'RASCIBILITY: POLITICAL

IMPLICATIONS OF GOG EDUCATION REFORM

REF: A. ATHENS 1508 *B. ATHENS 1556

Classified By: AMBASSADOR CHARLES RIES. REASONS 1.4 (B) AND (D).

(U) Summary: On January 10, Greek Parliament began debate on an amendment of Article XVI of the Constitution which would lift state restrictions on higher education to allow recognition of independent, non-profit universities. The main opposition party, PASOK, is expected to back ruling party New Democracy's proposal -- a rare convergence of views. With PASOK support, legislation to permit an amendment to Article XVI will likely pass when it comes to vote in March. ND-PASOK agreement on this issue lessens the chances of early elections in spring 2007. However, the debate has highlighted an internal rift in PASOK, further exacerbating the Opposition's woes. As a result, PASOK leader Papandreou (educated, like New Democracy leader Karamanlis, in the U.S.) will have some explaining to do when elections do take place - not only to disgruntled party officials, but also to voters. End Summary.

Article XVI

- 12. (U) The chronically-underfunded public education system is a volatile issue in Greece. The conservative New Democracy (ND) government proposes to revise the Constitution, lifting state restrictions on higher education to allow recognition of independent, non-profit universities. ND legislation especially targets Article XVI of the Greek Constitution, which stipulates higher education is provided free in state institutions and prohibits recognition of private universities. Parallel to the amendment of Article XVI, the government is pushing forward a number of other non-Constitutional changes affecting the operation of public universities, most notably a much reduced scope of academic "asylum," permitting the intervention of law enforcement on university campuses.
- 13. (U) Karamanlis' ND government ran its successful 2004 campaign on a pre-election pledge to revise Article XVI. In 2001, then-opposition party ND proposed a similar amendment, but the proposal was rejected by then-governing PASOK. With a new general election anticipated this year, Karamanlis is determined to act on his promise. Despite protests and often violent demonstrations by students, teachers, and far-left opposition parties that peaked in 2006 (reftels A and B) and continued into 2007, ND is poised to deliver. In contrast to 2001, PASOK, led by George Papandreou, has altered its stance, now supporting the government's efforts to allow public universities to face competition. A first vote in favor of revision in principle will probably occur in February or in early March. If 180 deputies vote in favor, then only a simple majority of 151 MPs (out of a total of 300) in the next legislative body to be sworn-in (following

the upcoming general election) will be needed to approve the specifics. Most observers believe that ND will easily get the 180 votes it needs.

Spring 2007 Elections Unlikely

14. (U) PM Karamanlis has been tenacious, pushing Article XVI education reforms forward despite constant (and prolonged) demonstrations and strikes. Some speculated he would call early elections should opposition against the reforms mount. (Note: Early elections are not uncommon in Greece, but must be based on an issue of national importance. The ruling government, when calling for early elections, is required to cite an issue of national significance that requires the government to seek a new mandate from the electorate. End

15. (U) Despite their other differences, both ND and opposition PASOK broadly support education reforms and together have 276 deputies in the 300-seat Parliament. With this support, and apparent public fatigue, there is little likelihood of sufficient opposition to warrant a call for early elections.

PASOK Split

16. (U) PASOK's support for ND's legislation is neither a sudden display of nonpartisanship nor an indication of closer cooperation between the parties. ND and PASOK remain divided on many issues and are in a state of constant competition. PASOK leaders emphasize that, while agreeing on the need for reform, PASOK and ND will be divided on the next step: how. (Note: Quality assurance standards will be a hot-button

issue for implementation and will have an important impact on U.S. institutions operating in Greece. End note.) While PASOK is ready to accept private universities, its priority remains strengthening the competitiveness of public universities. That would include controversial internal reform requiring professors to actually teach their own classes, and give grades based on actual performance, etc.

- 17. (C) Papandreou is also likely emphasizing these differences as a way to reconcile the internal rifts within PASOK that have been exacerbated by the education reform debate. Papandreou leads the main PASOK faction in support of Article XVI reforms, while Evangelos Venizelos (a university professor and former PASOK Minister of Culture under former PM Kostas Simitis) argues that emphasis should be placed on improving public educational institutions; he is a vocal opponent of increased competition from private universities.
- 18. (C) Special Secretary for Higher Education at the Ministry of Education, Athanasios Kyriazis, downplayed the PASOK Papandreou-Venizelos split on education reform, characterizing the Venizelos wing as small and insignificant. Papandreou himself described internal PASOK opposition in press reports as "political maneuvering." Kyriazis told us he believed Papandreou's decision to support the ND proposal was not a political calculation to avoid the possibility of early elections, but that Papandreou is voting his conscience. Having previously served as Education Minister, Kyriazis argued that Papandreou was acutely aware of the poor state of Greece's educational system as constrained by Article XVI, and knew that the article must be revised. According to one PASOK official, Papandreou "is reluctant to let more time go by without reform of the Greek education system."

Amendment Opposition

^{19. (}C) Many who continue to oppose an Article XVI amendment, including the Venizelos subset of PASOK, the small left-wing Synaspismos party, and the communist KKE, have focused on

what they call the "commercialization" of the public university education (see reftel A). Greece's Civil Servants Union states that it wants to keep higher education strictly within the state's domain, upgrading "public and free' education. In contrast, reform supporters point to university reforms sweeping EU countries with the goal of increasing competitiveness with British and U.S. universities (as well as the increasingly reputable universities in India and China); noting that approximately 50,000 Greek students are bypassing Greek institutions entirely in order to study abroad. In the absence of reform, foreign-educated Greeks are considered more competitive in the private Greek job market. And, of course, a not inconsequential number of these foreign-educated Greeks never return at all, constituting a "brain drain" of Greece's best and brightest at a time when international competition is stiffening. One further result would be that branches of overseas universities already operating in Greece (largely British and American) would likely be granted full recognition.

Comment

110. (C) Karamanlis' steadfast pursuit of education reform in the face of public opposition was also a savvy political strategy -- splitting his socialist rivals, while addressing a real anxiety of his middle class political base. Forcing PASOK to take a stand on education reform has boxed Papandreou into a corner. If he had opposed the amendment proposal, Papandreou could have risked early elections -- for which PASOK is not ready given its internal disarray. But Papandreou's decision widened the growing PASOK
Papandreou-Venizelos split. And, in elections, it will be up
to Papandreou to clarify for the voters just how PASOK's follow-on education reforms would differ from NDs. Disenchanted voters on the left may decide that Papandreou has weakened the public universities that represent their most affordable education option. If they decide to stay home on election day in protest, the consequences would be disastrous for PASOK. RIES